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DE RUEHCV #1116 2361536  
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R 241536Z AUG 09  
FM AMEMBASSY CARACAS  
TO RUEHC/SECSTATE WASHDC 3610  
INFO RUEHHH/OPEC COLLECTIVE  
RUEHAC/AMEMBASSY ASUNCION 1036  
RUEHBO/AMEMBASSY BOGOTA 8044  
RUEHBR/AMEMBASSY BRASILIA 6177  
RUEHLP/AMEMBASSY LA PAZ 2928  
RUEHPE/AMEMBASSY LIMA 1208  
RUEHNV/AMEMBASSY MONROVIA 0014  
RUEHSP/AMEMBASSY PORT OF SPAIN 3756  
RUEHQT/AMEMBASSY QUITO 3022  
RUEHSG/AMEMBASSY SANTIAGO 4152  
RUEHDG/AMEMBASSY SANTO DOMINGO 0680  
RHEHNSC/NSC WASHDC  
RHEHAAA/WHITEHOUSE WASHDC  
RHEBAAA/DEPT OF ENERGY  
RUCPDOG/DEPT OF COMMERCE  
RUEATRS/DEPT OF TREASURY  
RUMIAAAA/HQ USSOUTHCOM MIAMI FL

C O N F I D E N T I A L CARACAS 001116

SIPDIS

ENERGY FOR ALOCKWOOD AND LEINSTEIN, DOE/EIA FOR MCLINE  
HQ SOUTHCOM ALSO FOR POLAD  
TREASURY FOR MKACZMAREK  
COMMERCE FOR 4332/MAC/WH/JLAO  
NSC FOR RKING

E.O. 12958: DECL: 08/20/2019  
TAGS: [EPET](#) [EINV](#) [ENRG](#) [ECON](#) [CU](#) [VE](#)  
SUBJECT: VENEZUELA: ENSCO DRILLING RIG UPDATE

REF: A. (A) CARACAS 853  
[1](#)B. (B) CARACAS 707  
[1](#)C. (C) CARACAS 1017

Classified By: Economic Counselor Darnall Steuart, for reasons  
1.4 (b) and (d).

[1](#)1. (C) Bill Chaddick ENSCO Chief Operating Officer, updated  
Petroleum AttachQ on ENSCO's situation in Venezuela on August  
[1](#)20. Chaddick (strictly protect throughout) stated that the  
U.S. drilling rig company received an unexpected mixed USD  
and Bolivar payment on July 23 (\$11.2 million and 631,000  
Bolivars) that represented nearly 20% of PDVSA's past due  
total for use of the ENSCO-69 offshore drilling platform.

[1](#)2. (C) Chaddick confirmed that PetroSucre employees had  
"repaired" the fire damage to the electrical power  
distribution equipment on ENSCO-69 and that the rig was  
operational (see reftel B). He did not know, however, how  
they had done the repairs -- whether they had repaired it  
"properly" or had possibly bypassed some systems (e.g.  
safety) to get the rig running. ENSCO no longer receives  
daily status reports on the rig. (NOTE: PetroSucre sent ENSCO  
a letter on June 4, denying its request to re-export the  
offshore drill rig, citing the need to keep it on station for  
up to six months while PDVSA secured a replacement.)  
Chaddick shared that ENSCO sent a letter to the Government of  
Liberia (NOTE: ENSCO-69 is Liberian-flagged) requesting the  
GOLQ,s intervention to help ENSCO recover the rig. He added  
that it plans to send Embassy Caracas a status report as well  
in order to build a paper trail demonstrating that the  
company has not abandoned the asset.

[1](#)3. (C) According to Chaddick, another service company in  
PetroSucre requested ENSCO lease an offshore drilling  
platform to begin additional drilling projects in Mariscal  
Sucre, but ENSCO declined pending resolution of ENSCO-69Q,s  
situation. A representative from the unnamed service company  
confided to ENSCO officials that it had heard from PetroSucre

sources that ENSCO-69 would not be available for the foreseeable future (intimating that it has, in effect, been confiscated). Chaddick does not believe that PDVSA has any leads on securing a replacement offshore rig. ENSCO officials continue to travel to Venezuela seeking meetings with PDVSA representatives to discuss the outstanding arrears balance and to determine PDVSA's long-term intentions for ENSCO-69.

14. (C) ENSCO expects that the ENSCO-68 offshore drilling rig operating in the Gulf of Venezuela (under contract to Chevron, Repsol, and Teikoku), will be on station through March 2010 (see reftel A and C). Technical difficulties continue to hinder Repsol's progress, postponing the start date for Teikoku's exploratory well.  
DUDDY